

**Yavapai County Community College District
(Yavapai College)**

**Report on Audit of Annual Budgeted
Expenditure Limitation Report**

Year Ended June 30, 2003

**Yavapai County Community College District
(Yavapai College)
Report on Audit of Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003**

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(1931 - 1992)

Independent Auditor's Report

The Auditor General of the State of Arizona

Members of the Arizona State Legislature

The Governing Board of
Yavapai County Community College District

We have audited the accompanying Annual Budgeted Expenditure Limitation Report of Yavapai County Community College District for the year ended June 30, 2003. This report is the responsibility of the District's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Budgeted Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Budgeted Expenditure Limitation Report of Yavapai County Community College District for the year ended June 30, 2003, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the members of the Arizona State Legislature and the Governing Board, and for filing with the Auditor General of the State of Arizona, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



October 27, 2003

**Yavapai County Community College District
(Yavapai College)
Annual Budgeted Expenditure Limitation Report - Part I
Year Ended June 30, 2003**

1. Economic Estimates Commission expenditure limitation		\$ 28,315,725
2. Total amount subject to the expenditure limitation (from Part II, Line C)	30,422,449	
3. Less expenditures of monies received pursuant to Arizona Revised Statutes §15-1472 (workforce development)	<u>(457,449)</u>	
4. Adjusted amount subject to the expenditure limitation		<u>29,965,000</u>
5. Amount in excess of the expenditure limitation		<u>\$ (1,649,275)</u>

(The District claimed just enough exclusions to have the amount in excess of the expenditure limitation to be an amount that allows the District to take full advantage of the reduced penalty under Senate Bill 1246, Laws 2001, Chapter 362.)

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer _____

Name and Title Terry W. Bowmaster, Vice President for Finance and Facilities

Telephone No 928-776-2116 Date 1/9/04

See accompanying notes to report.

**Yavapai County Community College District
(Yavapai College)
Annual Budgeted Expenditure Limitation Report – Part II
Year Ended June 30, 2003**

Description	Current Funds			Plant Funds		Total
	Unrestricted		Restricted	Unexpended	Retirement of Indebtedness	
	General	Auxiliary Enterprises				
A. Total budgeted expenditures	\$ 25,390,897	\$ 8,212,024	\$ 5,250,080	\$ 13,003,330	\$ 5,929,889	\$ 57,786,220
B. Less exclusions claimed:						
Bond proceeds (Note 2)				10,352,657		10,352,657
Debt service requirements on bonded indebtedness (Note 3)					5,925,169	5,925,169
Debt service requirements on other long-term obligations (Note 3)		64,782		113,726		178,508
Dividends, interest, and gains on the sale or redemption of investment securities (Note 4)		12,310				12,310
Grants and aid from the federal government (Note 5)	78,816		4,609,838	395,551		5,084,205
Amounts received from the State of Arizona for the purchase of land, and the purchase or construction of buildings or improvements				567,400		567,400
Tuition and fees (Note 6)	2,852,533	2,390,989				5,243,522
Total exclusions claimed	2,931,349	2,468,081	4,609,838	11,429,334	5,925,169	27,363,771
C. Amounts subject to the expenditure limitation	\$ 22,459,548	\$ 5,743,943	\$ 640,242	\$ 1,573,996	\$ 4,720	\$ 30,422,449

See accompanying notes to report.

**Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003**

Note 1 - Summary of Significant Accounting Policies

The Annual Budgeted Expenditure Limitation Report (ABELR) is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes (A.R.S.) §41-1279.07, which excludes expenditures of certain revenues specified in the Arizona Constitution, Article IX, §21 from the total budgeted expenditures.

The information reported in both the ABELR and the financial statements is derived from the same underlying accounting data. However, the formats of the ABELR and the financial statements differ. The ABELR presents budgeted expenditures, exclusions, and amounts subject to the limitation by fund type as required by A.R.S. 41-1279.07. The financial statements present the net assets, changes in net assets, and cash flows for the District as a whole in accordance with U.S. generally accepted accounting principles.

In accordance with the UERS requirements, a note to the ABELR is presented below for any exclusion reported in the Total column on **Part II** that cannot be traced directly to an amount reported in the annual financial statements.

Note 2 - Of the \$11,429,844 reported as purchases of capital assets on the Statement of Cash Flows, only \$10,352,657 was expended from bond proceeds and claimed as an exclusion.

Note 3 - Exclusions claimed for debt service requirements on bonded indebtedness and debt service requirements on other long-term obligations are \$5,925,169 and \$178,508, respectively.

Both amounts are included in the amounts reported as principal paid on capital debt on the Statement of Cash Flows and interest expense on debt on the Statement of Revenues, Expenses, and Changes in Net Assets.

Note 4 - The following schedule presents the exclusions claimed for dividends, interest, and gains on the sale or redemption of investment securities.

	General Fund	Auxiliary Enterprises	Loan	Unexpended	Retirement of Indebtedness	Total
Investment income (loss) reported in the financial statements	\$ (107,210)	\$ 12,310	\$ 9,295	\$ 227,196	\$ (13,191)	\$ 128,400
Interest income carried forward to future years				(227,196)		(227,196)
Investment loss	107,210				13,191	120,401
Interest income not excludible			(9,295)			(9,295)
Total	\$ -0-	\$ 12,310	\$ -0-	\$ -0-	\$ -0-	\$ 12,310

**Yavapai County Community College District
(Yavapai College)
Notes to Annual Budgeted Expenditure Limitation Report
Year Ended June 30, 2003**

Note 5 - The following schedule presents revenues from which exclusions have been claimed for grants and aid from the federal government and contracts with other political subdivisions.

**Statement of Revenues, Expenses,
And Changes in Net Assets:**

		ABELR:	
Government grants and contracts	<u>\$ 5,121,854</u>	Grants and aid from the Federal government	<u>\$ 5,084,205</u>
		Total exclusions claimed	5,084,205
		Other revenues (nonexcludable)	<u>37,649</u>
Total	<u>\$ 5,121,854</u>	Total	<u>\$ 5,121,854</u>

Note 6 - Of the tuition and fees of \$5,997,278 (\$5,092,023 tuition and fees plus \$905,255 scholarship allowance) reported on the Statement of Revenues, Expenses, and Changes in Net Assets, only \$5,243,522 was expended and claimed as an exclusion. The remaining \$753,756 has been carried forward to future years.